

**ASSEMBLY BILL**

**No. 1629**

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**Introduced by Assembly Member Halderman**

February 9, 2012

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An act to amend Section 14043.1 of the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 1629, as introduced, Halderman. Medi-Cal.

Existing law provides for the Medi-Cal program, which is administered by the State Department of Health Care Services and under which low-income persons receive health care benefits. The Medi-Cal program is, in part, governed and funded by federal Medicaid provisions. Existing law defines an “applicant” as an individual or other entity, as specified, that applies to enroll as a Medi-Cal program provider, and defines a “provider” as an individual or other entity, as specified, that is enrolled in the Medi-Cal program and provides goods or services to a Medi-Cal beneficiary.

This bill would make technical, nonsubstantive changes to those provisions.

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

- 1 SECTION 1. Section 14043.1 of the Welfare and Institutions
- 2 Code is amended to read:
- 3 14043.1. As used in this article:
- 4 (a) “Abuse” means either of the following:

1 (1) Practices that are inconsistent with sound fiscal or business  
2 practices and result in unnecessary cost to the federal Medicaid  
3 and Medicare programs, the Medi-Cal program, another state's  
4 Medicaid program, or other health care programs operated, or  
5 financed in whole or in part, by the federal government or a state  
6 or local agency in this state or another state.

7 (2) Practices that are inconsistent with sound medical practices  
8 and result in reimbursement by the federal Medicaid and Medicare  
9 programs, the Medi-Cal program or other health care programs  
10 operated, or financed in whole or in part, by the federal government  
11 or a state or local agency in this state or another state, for services  
12 that are unnecessary or for substandard items or services that fail  
13 to meet professionally recognized standards for health care.

14 (b) "Applicant" means an individual, partnership, group,  
15 association, corporation, institution, or entity, and ~~the officers,~~  
16 ~~directors, owners, managing employees, an officer, director, owner,~~  
17 ~~managing employee, or agents thereof agent of a partnership,~~  
18 ~~group, association, corporation, institution, or entity, that apply~~  
19 ~~applies~~ to the department for enrollment as a provider in the  
20 Medi-Cal program.

21 (c) "Application or application package" means a completed  
22 and signed application form, signed under penalty of perjury or  
23 notarized pursuant to Section 14043.25, a disclosure statement, a  
24 provider agreement, and all attachments or changes in the form,  
25 statement, or agreement.

26 (d) "Appropriate volume of business" means a volume that is  
27 consistent with the information provided in the application and  
28 any supplemental information provided by the applicant or  
29 provider, and is of a quality and type that would reasonably be  
30 expected based upon the size and type of business operated by the  
31 applicant or provider.

32 (e) "Business address" means the location where an applicant  
33 or provider provides services, goods, supplies, or merchandise,  
34 directly or indirectly, to a Medi-Cal beneficiary. A post office box  
35 or commercial box is not a business address. The business address  
36 for the location of a vehicle or vessel owned and operated by an  
37 applicant or provider enrolled in the Medi-Cal program and used  
38 to provide services, goods, supplies, or merchandise, directly or  
39 indirectly, to a Medi-Cal beneficiary shall either be the business  
40 address location listed on the provider's application as the location

1 where similar services, goods, supplies, or merchandise would be  
2 provided or the applicant's or provider's pay to address.

3 (f) "Convicted" means any of the following:

4 (1) A judgment of conviction has been entered against an  
5 individual or entity by a federal, state, or local court, regardless  
6 of whether there is a posttrial motion, an appeal pending, or the  
7 judgment of conviction or other record relating to the criminal  
8 conduct has been expunged or otherwise removed.

9 (2) A federal, state, or local court has made a finding of guilt  
10 against an individual or entity.

11 (3) A federal, state, or local court has accepted a plea of guilty  
12 or nolo contendere by an individual or entity.

13 (4) An individual or entity has entered into participation in a  
14 first offender, deferred adjudication, or other program or  
15 arrangement where judgment of conviction has been withheld.

16 (g) "Debt due and owing" means 60 days have passed since a  
17 notice or demand for repayment of an overpayment or another  
18 amount resulting from an audit or examination, for a penalty  
19 assessment, or for another amount due to the department was sent  
20 to the provider, regardless of whether the provider is an institutional  
21 provider or a noninstitutional provider and regardless of whether  
22 an appeal is pending.

23 (h) "Enrolled or enrollment in the Medi-Cal program" means  
24 authorized under any processes by the department or its agents or  
25 contractors to receive, directly or indirectly, reimbursement for  
26 the provision of services, goods, supplies, or merchandise to a  
27 Medi-Cal beneficiary.

28 (i) "Fraud" means an intentional deception or misrepresentation  
29 made by a person with the knowledge that the deception could  
30 result in some unauthorized benefit to himself or herself or some  
31 other person. It includes any act that constitutes fraud under  
32 applicable federal or state law.

33 (j) "Location" means a street, city, or rural route address or a  
34 site or place within a street, city, or rural route address, and the  
35 city, county, state, and nine-digit ZIP Code.

36 (k) "Not currently enrolled at the location for which the  
37 application is submitted" means either of the following:

38 (1) The provider is changing location and moving to a different  
39 location than that for which the provider was issued a provider  
40 number.

1 (2) The provider is adding a business address.

2 (l) (1) “Individual dentist practice” means a dentist licensed by  
3 the Dental Board of California enrolled or enrolling in Medi-Cal  
4 as an individual provider who is a sole proprietor of his or her  
5 practice or is a corporation owned solely by the individual dentist  
6 and the only dentist practitioner is the owner. An individual dentist  
7 practice may include nondentist allied dental health professionals  
8 employed and supervised by the dentist.

9 (2) “Individual physician practice” means a physician and  
10 surgeon licensed by the Medical Board of California or the  
11 Osteopathic Medical Board of California enrolled or enrolling in  
12 Medi-Cal as an individual provider who is sole proprietor of his  
13 or her practice or is a corporation owned solely by the individual  
14 physician and the only physician practitioner is the owner. An  
15 individual physician practice may include nonphysician medical  
16 practitioners employed and supervised by the physician.

17 (m) “Preenrollment period” or “preenrollment” includes the  
18 period of time during which an application package for enrollment,  
19 continued enrollment, or for the addition of or change in a location  
20 is pending.

21 (n) “Professionally recognized standards of health care” means  
22 statewide or national standards of care, whether in writing or not,  
23 that professional peers of the individual or entity whose provision  
24 of care is an issue recognize as applying to those peers practicing  
25 or providing care within a state. When the United States  
26 Department of Health and Human Services has declared a treatment  
27 modality not to be safe and effective, practitioners that employ  
28 that treatment modality shall be deemed not to meet professionally  
29 recognized standards of health care. This subdivision shall not be  
30 construed to mean that all other treatments meet professionally  
31 recognized standards of care.

32 (o) “Provider” means an individual, partnership, group,  
33 association, corporation, institution, or entity, and ~~the officers an~~  
34 ~~officer, directors director, owners owner, managing employees~~  
35 ~~managing employee, or agents agent~~ of a partnership, group  
36 association, corporation, institution, or entity, that provides  
37 services, goods, supplies, or merchandise, directly or indirectly,  
38 to a Medi-Cal beneficiary and that has been enrolled in the  
39 Medi-Cal program.

1 (p) “Unnecessary or substandard items or services” means those  
2 that are either of the following:

3 (1) Substantially in excess of the provider’s usual charges or  
4 costs for the items or services.

5 (2) Furnished, or caused to be furnished, to patients, whether  
6 or not covered by Medicare, Medicaid, or any of the state health  
7 care programs to which the definitions of applicant and provider  
8 apply, and which are substantially in excess of the patient’s needs,  
9 or of a quality that fails to meet professionally recognized standards  
10 of health care. The department’s determination that the items or  
11 services furnished were excessive or of unacceptable quality shall  
12 be made on the basis of information, including sanction reports,  
13 from the following sources:

14 (A) The professional review organization for the area served  
15 by the individual or entity.

16 (B) State or local licensing or certification authorities.

17 (C) Fiscal agents or contractors or private insurance companies.

18 (D) State or local professional societies.

19 (E) Any other sources deemed appropriate by the department.